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SUBJECT: FRENTE'S GENERAL ASSEMBLY OPENS WAY FOR FTA TALKS

¶1. On March 25, the General Assembly of the Frente Amplio (FA) overwhelmingly rejected a motion from the Communist Party, which would have modified the FA's program to explicitly prohibit any FTA talks with the U.S. By doing so, the FA implicitly allowed President Vazquez to open up FTA negotiations with the U.S. or any other country. The Assembly approved a declaration calling on the GOU to "deepen the Government's national policy to amplify and strengthen the country's foreign trade, in order to achieve greater independence from the sole regional market (Mercosur)". The declaration also stated that "there are no ideological restrictions preventing the expansion of trade with the U.S." and that "the bilateral option is legitimate as long as it does not cause prejudice to the country's production and to regional integration."

¶2. Press reports indicated that the Socialists, who had originally planned on supporting the Communist motion, changed their mind, apparently due to President Vazquez' work behind the scenes. It was also reported that Chile's President Bachelet's comments to Vazquez on her visit here regarding the benefits of Chile's FTA with the U.S. had made a positive impact. Reactions to the FA vote were varied, with everyone, surprisingly, claiming victory. Left-wing newspaper La Republica blared that the "FA had buried the FTA" (with the U.S.), while right-of-center El Pais titled that "the FA has given a de facto approval to FTA negotiations." It is true that the decision is vague enough for people to read what they want. The important point, however, is that a specific rejection of an FTA with the U.S. was overwhelmingly voted down.

¶3. Ambito Financiero, a respected Argentine business daily, led its Monday edition with a commentary entitled "The Uruguayan Left authorizes trade negotiations with the U.S.". The commentary notes that the Uruguayan Left appears to be signaling that it wants to look like Chile's Left, moving away from ideology and towards a project of economic growth. It adds that the solitary opposition of the far-left did not manage to slow down an idea supported even by the Tupamaros (Note: In his weekend radio address, MPP Leader Mujica was calling on Uruguayans to rid themselves of ideology and to look at the world realistically, "for the sake of our children". End Note.) Ambito Financiero also commented that the FA's vote could be interpreted as a clear message to Brazil

and Argentina, whose exclusive bilateral relationship within Mercosur was widely criticized during the General Assembly.

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